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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

28 July 1981

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH : National Intelligence Officer for Warning

FROM :
Acting NIO for East Asia

SUBJECT : East Asia Warning Assessment (U)

The following items were discussed by the Community Representatives at the 22 July warning meeting. (U)

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Sino-US Relations

2. Analysts generally agreed that the Chinese viewed Secretary Haig's trip as a success. Nonetheless, the PRC continues to demonstrate great sensitivity on the issue of Taiwan. Its public and private commentary expressing concern about possible developments in the US attitude toward Taiwan have in fact intensified since the Haig visit. Chinese public statements on this issue have been particularly vociferous, reflecting Chinese irritation about the conflicting signals on the Taiwan issue they see emanating from Washington. China's sensitivity may also indicate that this subject has some domestic political implication for Teng's stature and policies. (C)

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3. Analysts differed as to the intensity of Chinese disquiet on the Taiwan issue but agreed that the Chinese will remain particularly sensitive to any signs of Washington suggesting moves to improve relations on any level with Taiwan, particularly on the issue of arms sales. Beijing can be expected to state its case forcefully in private and in public. The scheduled visit of the Vice Chief of Staff and other senior PRC officials to the US over the next several months will serve as an indicator of how the Chinese see the overall state of relations. []

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Military Situation in Kampuchea -- the Status of the DK

4. DK forces appear to be much more active, operating on a broader geographic scale and able to challenge Vietnamese forces more effectively than six months or a year ago. DK forces are operating in relatively small units but are increasingly able to interdict transportation, and to harass Vietnamese outposts and troop movements. Two factors appear most important in underwriting these more extensive operations: a stable logistics base on the Thai/Kampuchean border area and access to and effective utilization of heavier weapons. There was general agreement that the image of the DK within Kampuchea inhibits any significant recruiting ability but some growth in reaction to the Vietnamese occupation or a false flag approach appears to be occurring, but is not on any significant scale. []

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5. The DK's ability to make gains has occurred in part as a result of an apparent drawing back by the Vietnamese into an essentially defensive posture. There was general agreement that the Vietnamese are experiencing serious logistics problems which make it increasingly difficult to sustain operations in the field. Most analysts accepted the view that the Vietnamese had lost momentum and were further from completing the conquest of Kampuchea than they were in early 1979. There was no consensus on the numbers of DK or Vietnamese troops in the field. Some analysts believe that the level of Vietnamese forces may also be less than generally held -- 200,000 -- and that so many of these are involved in administrative, logistics and other non-combat related activities that the fighting force is not all that much larger than the forces the DK has in the field. []

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Kampuchean Conference in New York

6. Although the outcome of the Kampuchean Conference has proven satisfactory to all the major participants, subsurface disagreement between China and ASEAN over the tone and content of the basic Conference document has probably cost the PRC some ground in its relations with ASEAN. Some analysts were also inclined to believe that with the International Conference in being, the ASEAN countries, singly or in some grouping, will be interested in approaching Vietnam directly to probe for some signs of flexibility. Some also believe that there has been a discernable change in the position of Singapore and Thailand, and that the new Malaysian foreign minister is likely to push for greater accommodation of Vietnam within ASEAN. []

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Thailand -- Domestic Scene

7. The Thai political scene remains restive and criticism of Prime Minister Prem's lackluster performance appears to be growing. Prem seems certain to shake up his Cabinet in August in an effort to reintegrate the Social Action Party, particularly financial czar Boonchu. This may help solve some economic problems but it will create new difficulties by alienating the weaker Thai Nation Party. Former Prime Minister Kriangsak is commencing a political comeback and if successful in a 9 August by-election for a seat in the Parliament seems certain to create his own political party and offer a further challenge to Prem's leadership. The military also appears unhappy with Prem

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NOTE FOR DISTRIBUTION

FROM: NIO for East Asia

Attached is the assessment prepared on the basis of the Community views expressed at the 22 July warning meeting.

You or your representative are invited to attend the next warning meeting scheduled for 1400 hours, Wednesday, 19 August in Room 7 E 62, CIA Headquarters. Please provide your representative's name and clearances to by COB 18 August.

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